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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES

APPLICANT : JOHN KOLLAR

APPEAL NO.: 1998-3109
SERIAL NO.: 08/567,564

REHEARING RESPONSE TO BPAI ON BRIEF

CERTIFICATE OF MAILING UNDER 37 CFR 1.8

I hereby certify that this correspondence is being deposited with the United States Postal Service as Express Mail in an envelope addressed to ASSISTANT COMMISSIONER OF PATENTS, BOARD OF PATENT APPEALS AND INTERFERENCES, BOX INTERFERENCE Washington, D.C. 20231 on April 18, 2001.

John Kollar

(Name of Registered Rep.)

John Kollar 4-18-01

(Signature and Date)

April 18, 2001

Assistant Commissioner for Patents
BOARD OF PATENT APPEALS AND INTERFERENCES
BOX INTERFERENCE
Washington, D.C. 20231

Administrative Patent Judges Warren, Owens and Robinson:

Applicant in the above identified appeal respectfully requests a further rehearing under BPAI modified 37 CFR § 1.197(b)(1997) and submits this further Rehearing Response to BPAI's ON BRIEF Paper No. 26 in accordance therewith.

Appellant requests an EXPEDITED response in accordance with 37 CFR 1.607(b) "special dispatch" and advises the Board that serious (over 18 month effort) opportunity to progress the Redox EG technology in the U.S.A. has now been destroyed by the uncertainty and prolonged USPTO delays in this DtBP matter. Further delays will irrevocably damage this progress of science which BPAI is Constitutionally obligated to promote.

FURTHER REHEARING RESPONSE TO BPAI ON BRIEF Paper No. 26

Before the application of the law can commence, the pertinent facts of the matter must first be comprehended, then established.

Appellant has responded to establishing the facts. In a good faith effort, appellant failed to overcome known knowledge deficiencies of this BPAI panel in commodity chemical innovation, to provide them with a factual basis for their assessment of facts before they started to apply the law to their errors. Faulty fact/s coupled with a perfect legal application can only produce one result, a wrong one.

It is not issues of law but pertinent facts in several key areas which create contentiousness between BPAI and appellant. These are the "Sale", "Experimental" and "Ready for Patenting" pertinent facts and some sub issues (complete invention, intended purpose). All of which by the presence of the first and third and the absence of the second are required for a § 102(b) on-sale bar. *Pfaff v. Wells Elect., Inc., 525* U.S. *55,* 67, 48 USPQ2d 1641, 1647 (1998)

Each of these issues properly assessed on the knowledge and fundamental basic facts of commodity chemical invention eliminates any § 102(b) on-sale bar.

This BPAI panel, as evinced from their USPTO work CV's, (Exhibits 1, 2 and 3) has nil understanding of commodity chemical development standards, "in the normal context of **its** technological development" *General Motors Corp. v. Bendix Aviation Corp., 123 F. Supp. 506, 521, 102 USPQ 58, 69 (N.D.Ind. 1954)* which makes all derivative BPAI factual interpretations extremely suspect.

Notwithstanding legal obligation, BPAI and the Examiner before have consistently misinterpreted each of these points and by "selective and partial application of the law" simply failed to apply the "complete standards" of the U.S. Supreme Court in *Pfaff v. Wells Elect., Inc., 525* U.S. *55,* 67, 48, and US Court of Appeals for the Federal Circuit, in *STX v. Brine and Warrior 48 USPQ2d 1641, 1647 (1998)* and the USPTO guidelines in MPEP 2133.03(e)(1) on the "sale" issue and MPEP 2133.03(e)(4) on the "experiment" issue.

Appellant used the Rehearing Response Paper No. 25 to correct this insufficiency of this BPAI panel by providing a multitude of pertinent, factual, layman comprehendible information, PRIMER COMMODITY CHEMICAL INNOVATION Pages 10-16 Paper No. 25, which BPAI either failed to understand or simply chose to ignore. Thereby failing to properly

understand, assess and implement the "normal context of its [Agreement's commodity chemical] technological development".

The U.S. Supreme Court in *Pfaff v. Wells Elect., Inc., 525* U.S. 55, 67, 48 USPQ2d 1641, 1647 (1998) set a two part test which must be satisfied before the critical date for a § 102(b) on-sale bar,

"First, the product must be the subject of a commercial offer for sale ..... the experimental use doctrine, for example, has not generated concerns about indefiniteness, ...", opines Justice Stevens.

a. The commercial offer for sale must be demonstrated "by **clear and convincing evidence** that there was a definite sale or offer to sell" as established by the U.S. Supreme Court in *Pfaff v. Wells Elect., Inc., 525* U.S. *55,* 67 and by the US Court of Appeals for the Federal Circuit, in *STX v. Brine and Warrior 48 USPQ2d 1641, 1647 (1998).* Underline and bold underline for emphasis by appellant.

Examine the Agreement according to all of the standards set by the courts and also apply the MPEP guidelines for the first of the two prong test needed to establish a 102(b) bar. There must be a **product** which **must be the subject of a commercial offer for sale** which **must be demonstrated** by **clear and convincing evidence** such as is supported by items from MPEP guideline 2133.03(e)(1), and which is not exempt because of **experimental use** required to bring it to completion for its intended use.

The Courts recognize the need for clear[ness], perhaps because it recognizes the basis of an old homily in the administeration of justice.

"Perspicuity, is the hallmark of truth and knowledge,
Obfuscation, is the telltale of deceit and ignorance."

As in any two party contract, after the listing of the principles and definitions, the purpose is defined. The purpose of the Agreement is clearly, plainly and legally articulated in Section 2 part 2.1 as follows,

SECTION 2

2.1 Celanese, with the cooperation of Redox, shall conduct such research and development (R&D) in the Field, and shall pilot such step or steps as Celanese deems advisable, with a goal of achieving, by the end of 5 R&D Years, Celanese approval for a commercial plant in the Field.

First, let us dissect this critical paragraph of contention.

Celanese, with the cooperation of Redox,….

First this is a cooperation, Celanese with Redox.

"cooperation" *n.* 1. The act or practice of cooperating. 2. The association of persons or businesses, for common, usually economic benefit.

"cooperate" *intr. v.* 1 To work or act together toward a common end or purpose.

Appellant's Response

The Agreement is a **cooperation**, SECTION 2.1. A cooperation is the working together of two or more parties for the common good. The Agreement expresses the common goal, the duties and obligations of the parties through the research, development, pilot and commercial phases and the common good, benefits derived from achieving that common goal.

Contrast a **sale** or offer for sale which is a contract wherein each party is working for their own benefit, usually from self-centered motives.

So what must BPAI demonstrate? BPAI, "must demonstrate by **clear and convincing evidence** that there was a definite sale or offer to sell" by the dictate of the Supreme Court and "The US Court of Appeals for the Federal Circuit" in *Pfaff v. Wells Elecs., Inc., 525 U.S. 55, 67 and in STX v. Brine and Warrior 48 USPQ2d 1641, 1647 (1998)* to establish the first prong of the two prong test for a § 102(b) on-sale bar.

In *Pfaff v. Wells Elecs., Inc., 525 U.S. 55, 67,* Justice Stevens in his written opinion, recognizes for the unanimous Supreme Court that a sale was clearly executed when a purchase order for 30,100 sockets for $ 91,155 was made and the product was produced and delivered to buyer.

The above is clear and convincing and definitive evidence of a sale and offer for sale, articulated in just a few lines of verbiage.

In an opinion by Chief Judge Mayer from the US Court of Appeals for the Federal Circuit, *in STX v. Brine and Warrior 48 USPQ2d 1641, 1647 (1998)* "The record shows that … … … , inventors at STX had received from … … … … a shipment of … … … … the commercial embodiment … … …. The same day, … … … wrote a purchase order for 112 … … , memorializing a sale … … … . One third of the order was scheduled for delivery on… … , and the remaining two thirds on … … … … … … … … ."

The above is clear and convincing and definitive evidence of a sale and offer for sale, expressed in a brief passage.

BPAI cannot turn a sow's ear into a silk purse or visa versa. BPAI cannot by any reasoned measure provide any **clear and convincing evidence**,

which is a mandatory requirement for BPAI to demonstrate. It is insufficient for the BPAI to hide behind obfuscation techniques and the "totality of ……" pretext, which are conveniently used as a method to avoid accountability to the law.

A cooperation and a sale are distinctly different. A cooperation and a sale bear nothing in common. Where is the clear and convincing? Where is the definite evidence of a sale? Where is the product? How can BPAI assert there is no experimental purpose to the Agreement, when the details of obligations, duties etc. etc. to achieve an innovation (R&D and through successful operation of 1st Plant) constitute the bulk of the Agreement? How can BPAI know the intended purpose?

BPAI does not use the USPTO's multiple guidelines of MPEP 2133.03(e)(1) to indicate commercial exploitation. BPAI does not present any evidence of, the "commercial" documents, e.g., orders, invoices, receipts, delivery schedules, etc. or the price lists and distribution of price quotations, or the display of samples to prospective customers, or the demonstration of models or prototypes, or show me the use of the invention where an admission fee is charged, or advertising in publicity releases, brochures, and various periodicals.

BPAI has not cited, and indeed cannot because none exist, even a single item from this MPEP list. Not a single item from this MPEP list is present in any of the vast documentary evidence of this case. Perhaps the MPEP guidelines chose to exclude the most "clear and convincing" factor/s! Perhaps to allow "experimentation" by creative examiners?

What this panel does is use obfuscation and confusion techniques, often with multiple pages of circuitous off issue matters to arrive at erroneous conclusions, simply not supported by the evidence and not meeting any of the requirements of MPEP 2133.03(e)(1) and absolutely none of the burden of Pfaff's "clear and convincing". See Exhibit 4 for a dissection of a lesser egregious manifestation of this technique taken from page 18 BPAI ON BRIEF, Paper No. 26.

Furthermore, there is no product involved in the Agreement.

The evidences of the cooperation of the Agreement are transparent in numerous pieces of documentary evidence presented to the USPTO starting with the REQUEST FOR INTERFERENCE.

The § 102(b) on-sale bar issue should never have been initiated.

Anything beyond this simple, straightforward and incontrovertible evidence and BPAI's total failing under *Pfaff v. Wells Elect., Inc., 525*

U.S. 55, 67, 48 USPQ2d 1641, 1647 (1998) and MPEP 2133.03(e)(1) is obfuscation. The 50 plus pages of BPAI On Brief, Paper No. 24 and 28 pages of BPAI On Brief, Paper No. 26, has all the earmarks of a Spanish Inquisition or a Salem Witch Hunt, when the preordained judgment is rendered before and in spite of the facts, cloaked under the guise of the holy sanctity of God (USPTO).

Celanese, *working together* **with Redox, shall conduct research and development (R&D) in the Field,**

"shall" is in the future or future perfect tense and simply foretells or declares what is to happen.

"research" *n.* Diligent inquiry or examination in seeking facts or principles; laborious or continued search after truth.

"Field" is defined as minimally 5 key areas as items A through E.

Note: Item E explicitly lists one of the "intended purposes".

Appellant's Response

The Agreement is a research and development cooperation in a complex multi-step commodity chemical breakthrough technology which constitutes absolute proof of experimental use. It contains all of the elements necessary to bring a breakthrough commodity chemical concept to innovative completion and establish its intended purpose. The Agreement does indeed contain non-specific obligations. These are necessary characteristics emanating from the uncertainty of invention and the unpredictability of the results of experimentation. Experimentation by its very essence is uncertainty, until after the facts have been established. For a complex multi step breakthrough chemical process as is the subject of the Agreement, the uncertainties are compounded greatly, as is the absolute need for experimentation to eliminate the myriad of uncertainties to a point of a reasonable expectation of adequate operability for its intended purpose.

This BPAI panel, lacking a background in commodity chemical invention, makes uninformed commodity chemical innovation assumptions, presumptions and speculations, which are absolutely wrong and which by their very nature cannot be clear and convincing evidence.

In the absence of any commodity chemical innovation background, how is it possible for this BPAI panel to comprehend the "normal context of its technological development", its "intended purpose" and the "experimental" efforts to achieve the innumerable objectives required to "complete the invention" and bring the innovation to commercial fruition.

Indeed it was instantly recognized by appellant that, upon a cursory examination of this panel's patent examining background experience ex the

USPTO data base, the panel had little if any experience in commodity chemicals. The scan of several 50 item USPTO pages indicated broad based specialized chemicals expertise of the panel which subject chemicals if produced would be very high priced, the antithesis of commodity chemicals. Each type of chemical, because of dissimilar needs, must employ a vastly different approach to establishing productive utility. Testing standards must be applied "in the normal context of its [commodity chemical] technological development" *General Motors Corp. v. Bendix Aviation Corp., 123 F. Supp. 506, 521, 102 USPQ 58, 69 (N.D.Ind. 1954).*

Accordingly, appellant attempted to inform and educate this panel by providing a simple, common sense, layman's Primer on commodity chemical development. The contrasts in the experimental demands and parameters of two types of developments were made for BPAI. They were contrasts of the ilk that the experience of this BPAI panel suggests they should be familiar with, to commodity chemical development with which this BPAI panel is not familiar with. This topic was covered extensively in PRIMER COMMODITY CHEMICAL INNOVATION Pages 10-16 of Paper No. 25.

BPAI failed to properly assess the Primer including the various easily documented information. Accordingly, appellant is placing on the record the USPTO data base derived complete CV's of this three panel BPAI.

The three members have nil to absolute zero experience in areas of this action, namely in commodity chemicals and none in major breakthrough technology. Out of a total of 3606 cases (2,346, 1071 and 189 examination case) only seven (7) could be identified by appellant as involving a commodity chemical, namely VCM (vinyl chloride monomer). Of these seven (7), five (5) are improvement patents. This composite CV experience is hardly a ringing endorsement of knowledge even by association or familiarity in the essential parameters and experimental needs to establish usefulness in commodity chemical innovation.

The surprising revelation was the absence of commodity chemical and process chemistry topics in the CV's of their work history. Further, these CV's indicated the virtual opposite extreme of invention dealing with highly specific speciality item including pharma, bio, dyes and other generally very high priced chemicals and/or intermediates

We offer the following universal homily with good intent, although it may be taken otherwise.

Knowledge is comprised of three components,

1. That which one knows.
2. That which one understands "what they do not know" and

3. Knowing where to gain access to "what they do not know".

Absence of knowledge is not a defect, it is a limitation of our humanness.

However, knowledge asserted where none exists is ignorance, bias or worse.

We do not question BPAI's knowledge on Item 1 above but seriously question this BPAI panel's knowledge on Items 2 and 3 in specific regard to breakthrough commodity chemical innovation.

BPAI seems to find a single white feather amongst a multitude of creatures with white, boat shaped bodies perched on webbed feet with orange billed mouths who waddle when they walk and quack, and exclaim, "I found a chicken feather!" Please look again.

Research in the scientific endeavor of the Agreement is experimental use within the context of 9 of the 11 listed MPEP guidelines. Research as manifest in the Agreement and in the evidence on record is chronicled in Paper 25 in Part IV EXPERIMENTAL - SCIENTIFIC EXPERIMENTION and in Part VI EXPERIMENTATION EVIDENCE in REQUEST FOR INTERFERENCE.

Not a single research item listed therein is of the type excluded from the experimental use exception. There is no market testing, there is no commercial exploitation, there is not even a single factor indicative of "Commercial Exploitation". MPEP 2133.03(e)(1)

Celanese,....., and [Celanese] shall pilot such step or steps as Celanese deems advisable,

"advisable" *adj.* Worthy of being recommended or suggested; prudent.

"prudent" *a.* Cautious or circumspect in determining on any action or line of conduct.

"deem" *v.t.* To deem; to judge.

Appellant's Response

"deems advisable" is precisely the appropriate phrase to describe the modus operandi of later stage experimental development efforts, i.e. pilot plant, which encompasses the lessened uncertainties remaining in the development efforts. "deems advisable" does not apply to the research and development, but only to the pilot planting effort. However, this choice is not an arbitrary or capricious choice.

The decision on whether to pilot plant "a step or steps" is a function of assessed knowledge on the completeness of a given step or steps and the inherent technical and economic risks to proceed to

commercialization with less complete and less certain experimental knowledge.

Because of the very large costs of pilot planting, it is absolutely logical that the party responsible for funding the commercialization has the responsibility to evaluate the risk reward considerations.

The last remaining experimental uncertainties may be eliminated either at the pilot plant or commercial plant. Chemical history, see a listing of failed chemical plants (Paper No. 25), affirms that only the fullness of time and the brilliance of hindsight proves which is the correct way to proceed for the specific innovation. See next section on choices and outcomes of the "deems advisable" for a greater comprehension.

"deems advisable" is hardly the phrase of a sale, it is the wisdom of uncertainty encountered in an experimental cooperation.

BPAI is absolutely incorrect in their arbitrarily interchanging and application of words like "deem", "necessary" and "advisable" to R&D. The Agreement simply does not say what BPAI purports.

From Paper 26 Page 12, 2nd Paragraph 6th Line.
BPAI is wrong and misleading in creating their own contract when they write, "…..Celanese would conduct research and development during the R&D phase to the extent that Celanese *deemed it necessary*"…, and than BPAI proceeds to use this fabrication to establish an irrelevant point to create a 102(b) bar. The Agreement neither stated or implied this BPAI fabrication. SECTION 2 2.1 above is verbatim content.

"with a *goal of achieving*, by the end of 5 R&D Years, Celanese approval for a *commercial plant* in the Field."

Appellant's Response

The experimental cooperation, incidental commercial goal thereafter and Redox control of the Technology in the Field is clearly manifest in the text of the Agreement. Celanese has obligations and potential rights which are controlled by Redox. Redox has no obligations to Celanese.

BPAI is confusing control of the Technology with Celanese control of their funding obligations.

Conversely, Redox has no obligation to Celanese but can use any Celanese technology and/or patents in the Field, as the plain language of

the Agreement shows for either of BPAI's hypotheticals of instant or early termination of the Agreement.

In the extremes of BPAI's first hypothetical of instant termination which appellant has shown was absolutely impossible based on documentary evidence, content of the Agreement and on transpired facts before the signing of the Agreement, the rights to license that Celanese could earn are restricted rights to license which are controlled and were determined and granted solely by Redox.

BPAI may be confusing control of the Technology with Celanese control of their funding obligations. These funding controls beyond the minimums deemed reasonable to achieve a completed program, which could and indeed were exceeded, could be terminated if some unforeseen or unexpected negative experimental results in the R&D innovation cooperation adversely changed the risk reward basis. Celanese funding controls beyond the listed progressions and termination rights are obviously based on common sense reasonableness involving something experimental which has so much uncertainty. No reasonable entity would write a blank check on something which is incomplete and possesses many scientific uncertainties, any of several which could prevent the achievement of a substantially complete innovation and sink the entire undertaking. Control of their funding obligation is not control of the Technology.

The goal is set by mutual considerations. The Celanese obligation to achieve the goal of a commercial plant is embedded. The alternate large money choices, mainly to pilot plant step or steps, of achieving the goal are logically Celanese's. You make your choice and pay your money to achieve the goal of a commercial plant.

The Field of the Agreement incorporates 13 major sections including at least 6 reaction sections all of which must interact in perfect harmony to establish a complete invention to meet its intended purpose and goal of a commercial plant. Much like a symphony orchestra, just one bad player can destroy the efforts of all others.

This is a risk-reward decision as explained to BPAI by the history of chemical innovation.

Do all of the pilot planting to achieve the highest level of completion and the cost is $ 15-30 million and a time delay of 2 to 3 years (2-3 years of potential lost profitability of $ XXX millions).

Don't do the pilot planting and if commercially successful the cost, time and profit benefits cited above are achieved.

Don't do the pilot planting and if commercially unsuccessful in a failed plant scenario a real loss of hundreds of millions of dollars is

incurred for the construction of the plant and the plant sized experimental attempts to establish and correct the uncertainties. The extremely high cost of commercial plant experimentation limits the range of experimentation and the likelihood of resolving the "problems" compared to a pilot operation, thereby reducing the likelihood of future commercial exploitation, by opting to reduce pilot planting of step or steps.

Experimental Use

The Court in Pfaff affirms prior court rulings that experimental use or sale is a permitted activity which does not constitute a bar under 35 U.S.C. 102(b).

"A use or sale is experimental for purposes of section 102(b) if it represents a **bona fide effort to perfect the invention** or to ascertain whether it will **answer its intended purpose**..... If any commercial exploitation does occur, it must be merely incidental to the **primary purpose** of the experimentation **to perfect the invention**." *LaBounty Mfg. v. United States International Trade Commission, 958 F.2d 1066, 1071, 22 USPQ2d 1025, 1028 (Fed. Cir. 1992), Pennwalt Corp. v. Akzona Inc., 740 F.2d 1573, 1581, 222 USPQ 833, 838 (Fed. Cir. 1984))*. Bold underlines are appellant's emphasis.

If there was any merit to the BPAI's two impossible hypothetical assertions, i.e. Celanese commercialization without fulfilling any of the experimental purpose of the Agreement, each would have achieved the experimental objectives of the intended purpose and completed the invention in a commercial plant size laboratory (a preposterous assumption) and thereby the Agreement could not be a 102(b) bar based on the above citation.

Not withstanding the impossible, testing standards must be applied "in the normal context of **its** [commodity chemical] technological development" *General Motors Corp. v. Bendix Aviation Corp., 123 F. Supp. 506, 521, 102 USPQ 58, 69 (N.D.Ind. 1954)*.

Justice Stevens opinion reaffirms, "The law has long recognized the distinction between inventions put to experimental use and products sold commercially. In 1878, we (Supreme Court) explained why patentability may turn on an inventor's use of his product." Parens are appellants addition.

Justice Stevens continues, "…..and it is the interest of the public, as well as himself, that the invention should be perfected and properly tested, before a patent is granted for it. ……." *Elizabeth v Pavement Co., 97 U.S. 126, 137*

The Supreme Court in further recognition of distinctions in the character of inventions states, " The word "invention" must refer to a concept that is complete, rather than one that is "substantially complete"." *Pfaff v. Wells Elect. Inc., 525* U.S. *55, 67,.*

Appellant suggests that the Supreme Court recognizes that the invention must be ready for patenting and that it must be complete for an equitable administration of the law so that the inventor should enjoy the same "limited term"…. "as contemplated by the Constitution and sanctioned by the laws of Congress", as all other inventors. *Seymour v Osborne, 11 Wall. 516, 533-534*

Appellant's Response

BPAI, with their total absence of experience and knowledge in breakthrough commodity chemical innovation, has limited to nil capability to determine any of the bold underlined criteria for establishing the experimental nature of the Agreement.

From Paper 26 Pages 5 through 11. BPAI attempting to show that evidence of the experimental nature of the Agreement does not exists, goes through a 5-6 page obfuscation routine.

BPAI digresses from the simple point of the Kollar Declaration Exhibit 5, which is that Exhibit 5 is an indication and proof of the experimental nature of the Agreement, which was relevant to the interference and which now becomes relevant to establishing a 102(b) exception. Whether the material of Exhibit 5 was patentable or not patentable is immaterial, albeit BPAI is wrong in its technical interpretation, it is experimental which thereby demonstrates the experimental nature of the Agreement. Whether Celanese did any work on this specific aspect of the Field is irrelevant, albeit BPAI attempts to create a false aura of discovery of something "non experimental" because there was no evidence that Celanese did experimental work in this area.

The Agreement is a cooperation, it is not a duplication. Appellant had in fact pointed out that we, Redox and Celanese, had not yet reached the point of priority for Celanese involvement in this specific. While the cooperation of Celanese and Redox has produced over two dozen reports and thousands of pages of experimental documentation and tens of thousands of analysis none of these are necessary for the interference.

For BPAI's edification, less than 5%, perhaps as low as 1% of the experimental efforts in commodity petrochemical research ends up as being

patentable. Experimentation does not equate with successfully achieving the sought after objective.

Now where is BPAI's listing of factors supportive of an non experimental purpose of Exhibit 5 and other documentation of the Interference?

BPAI simply ignores MPEP 2133.03(e)(4) and the simple fact that 9 of the 11 listed factors supportive of an experimental purpose are present in the Agreement. The two, A and K, that are not present are simply not applicable.

Testing had to be for a substantial period of time. The length of time in which experimental activity took place, was reasonable, necessary and normal for a major commodity chemical breakthrough technology defined as the Field of the Agreement. Testing of an invention in the normal context of its technological development is generally within the realm of permitted experimental activity. *General Motors Corp. v. Bendix Aviation Corp., 123 F. Supp. 506, 521, 102 USPQ 58, 69 (N.D.Ind. 1954).*

Testing was conducted under the control of the inventor. Redox control of the Technology in the Field is clearly manifest in the text of the Agreement. Celanese has obligations and potential rights which were established and are controlled by Redox. Redox has no obligations to Celanese. Redox set the conditions, Celanese earns benefits only after they perform.

The inventor regularly, at about three month intervals, inspected the progression of the Field of the Agreement invention during the period of experimentation.

Heavy obligations were placed on Celanese a cooperating partner, user, during a period of experimental activity, as well as the extent of and testing actually performed during such period *(Egbert v. Lippmann, 104 U.S. 333 (1881)).*

The conditional nature of benefits Celanese earned, not sale, were associated with experimental activity. *(Hall v. Macneale, 107 U.S. 90 (1882)).*

The length of time in which experimental activity took place, was reasonable and necessary for a major commodity chemical breakthrough technology, the Field of the Agreement, *(International Tooth Crown Co. v. Gaylord, 140 U.S. 55 (1891)); General Motors Corp. v. Bendix Aviation Corp., 123 F. Supp. 506, 521, 102 USPQ 58, 69 (N.D.Ind. 1954).*

Routine, two to three day meetings at about three month intervals, obligations were placed upon Celanese to supply and exchange with Redox the results of any testing conducted during the cooperative experimental period during which the extent of inquiry and exchange made by Redox and Celanese regarding the testing was extensive and detailed as per Agreement, *Robbins o. v. Lawrence Mfg. Co., 178 USPQ 577, 583 (9th Cir. 1973).*

Disclosure by Redox to Celanese regarding what Redox considers as unsatisfactory operation of the invention and visa versa were a normal part of the assessment to progress the Field at the regularly scheduled meetings and exchanges of the cooperative Agreement, *Dybel, 524 F.2d 1393, 1401, 187 USPQ 593, 599 (CCPA 1975)*.

Redox retrieved all experimental results, information, reports, technology, rights and patents at the end of an experimental period as incorporated in the Agreement, *Omark Indus. v. Carlton Co., 458 F.Supp. 449, 454, 201 USPQ 825, 830 (D.Ore. 1978)*.

The Agreement establishes in great detail, to the specificity which the unknown and uncertainties of innovation permits, the bona fide efforts of cooperating parties Redox and Celanese to perfect the invention from an established base of experience for its intended purpose. BPAI has not a clue about the critical necessities or intended purpose of the Agreement or how they are achieved. Experimental effort!

"Second, the invention **must** be ready for patenting."

a. From Justice Stevens opinion for the unanimous Supreme Court finding, "The word "invention" must refer to a concept that is complete, rather than merely one that is "substantially complete." It is true that reduction to practice **ordinarily** provides the best evidence that an invention is complete. ……." *Pfaff v. Wells Elect. Inc., 525* U.S. *55,* 67,. Bold underlines are appellants for emphasis.

BPAI errs when they attempt to create law by arbitrarily abridging the Courts ruling by omitting this common sense recognition of the diversity of inventions.

Indeed, the greatest wisdom in the unanimously held Supreme Court opinion on *Pfaff* is that one must not attempt to apply one rigid set of metrics to such diverse topics as is encompassed in invention. Indeed, this is simple common sense which recognizes the extreme diversity of invention and the requirement that common sense be applied to the administration of the patent laws.

The Court recognizes that to satisfy the second prong,

1. reduction to practice is not necessary
2. that ordinarily a reduction to practice does satisfy it and
3. "….a reduction to practice **ordinarily** provides the best evidence that an invention is complete…", is not an absolute determinant to satisfy the second prong.

Appellant's Response

BPAI errs on the specifics of this case when they take appellant's reduction to practice and drawing or other descriptions as fulfilling the second prong. Indeed the Court in Pfaff stated that the second prong "may be satisfied ……. The Court did not say the second prong **"will"** be satisfied….. BPAI fails to recognize the essentials behind the Court's rulings in Pfaff which is that given the diversity in invention, judicial common sense says that one metric is not universally applicable.

b. Actual reduction to practice in the context of an on-sale bar issue usually requires testing under actual working conditions in such a way as to demonstrate the **practical utility of an invention for its intended purpose beyond the probability of failure**, unless by virtue of the very simplicity of an invention its practical operativeness is clear. *Field v. Knowles*, 183 F.2d 593, 601, 86 USPQ 373, 379 (CCPA 1950); *Steinberg v. Seitz*, 517 F.2d 1359, 1363, 186 USPQ 209, 212 (CCPA 1975). Bold underline added by appellant for emphasis.

Appellant's Response

BPAI, based on their total USPTO CV's with indicated total absence of knowledge in commodity chemical innovation, has no comprehension of the testing required.

BPAI, despite their total absence of knowledge in breakthrough commodity chemical innovation, fails to accept and or verify the common sense facts offered by appellant and chemical experience and history which establishes that the innovation of the Agreement is far from complete.

A reduction to practice of the embodiment in claim 1, along with the drawings and descriptions, although professional in appearance, would no more allow one skilled in the art to successfully practice the invention for its intended purpose than would a sketch or highly detailed art rendering of a proposed skyscraper allow a builder to build that skyscraper. This is not Pfaff's simple socket design which can be taken directly from a simple drawing board to commercial production.

BPAI is in no position to fulfill this requirement of the law to make the assessment of the practical utility of the Technology of the Agreement or the embodiment of the invention in claim 1, for its intended purpose.

Summarily for the first prong test, There is a **product** which **must be the subject of a commercial offer for sale** which **must be demonstrated** by **clear and convincing evidence** such as is supported by items from MPEP

guideline 2133.03(e)(1), which is not exempt because of **experimental use** required to bring it completion for its intended use.

Appellant's Response

The Agreement, has no product only technology, is a cooperation not a sale and is totally about experimental efforts to bring the invention and Field to completion for highly specific purposes with the incidental goal of commercialization. There is no clear and convincing evidence of a "sale" but absolute evidence of "experimental use" which would be an exemption to the 102(b) bar if there was a sale.

Summarily for the second prong. The invention, referring to a concept that is complete, rather than merely one that is "substantially complete", **must** be ready for patenting. Actual reduction to practice requires testing to demonstrate the **practical utility of an invention for its intended purpose beyond the probability of failure**.

Appellant's Response

The Agreement establishes that the invention is far from complete by the contained details of R&D time, obligations, responsibility, one critical defining goal, references to technology and patents expectations etc. etc.

The demonstration of practical utility of this EG invention for its intended purpose beyond the probability of failure in this specific case of fiber grade EG is not capable of being effected by conservative, extra cost, engineering. Anyone in the commodity chemical field of EG recognizes that the exceeding stringent specifications including uv absorption specifications cannot be engineered, they must be experimentally determined.

For a new breakthrough EG process produced from a different raw material methanol, that criticality is compounded and can only be achieved by experimental verification to achieve fiber grade specifications.

For this panels further edification concerning "intended use" which was expressed in the Agreement, about 90% of all EG goes into one class use which must meet fiber grade specifications. This fiber grade use has a substantial growth rate. Only 10% of EG goes into other uses, which uses have essentially not been growing for decades.

Justice Stevens criteria enunciated in Pfaff, as expressed above, is completely supportive of appellants experimental use and not ready for patenting.

Conclusion

The facts are transparent to anyone knowledgeable in commodity chemicals that the basis of the Agreement in all of its manifestations is a cooperation, not a sale which is purely experimental directed to reaching an acceptable level of completeness for producing a product meeting certain specifications at a competitive cost for an intended use, specifically fiber grade EG. It is a joint cooperative research and development effort with earned licensing rights, controlled by appellant.

Administrative Patent Judges Warren, Owens and Robinson:

Appellant reiterates his request for an EXPEDITED response in accordance with 37 CFR 1.607(b) "special dispatch" and advises the Board that a serious (over 18 month effort) opportunity to progress the Redox EG technology in the U.S.A. has now been destroyed by the uncertainty and prolonged USPTO delays in this DtBP matter. Further delays will irrevocably damage the progress of this science which USPTO and BPAI is Constitutionally obligated to promote.

Applicant respectfully submits this Rehearing Response to the Board of Patent Appeals and Interferences for its informed, fair and impartial consideration. Applicant has made a real prima facie showing of being the first to invent as required by 37 CFR § 1.608 and request that the Board declare an interference and based on the documentary factual evidence declare Applicant as senior party.

Respectfully submitted,

John Kollar 4-18-01

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